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C 71

**EARNEST MONEY DEPOSIT AGREEMENT**

**REDACTED**

On June 7, 2007 (the "Effective Date"), **GRANDE BEACH HOLDINGS, LIMITADA** with corporate identification number 3-102-387522, represented hereby its representative with Full Powers of Attorney, Mr. DAVID PAUL HARAGAN, bearer of US passport number [REDACTED], (the "SELLER"); and, Gary Eugene Luciani, bearer of passport number US [REDACTED] (the "BUYER"), have agreed to enter this agreement for the purchase of the following real estate properties duly recorded in the Property Section, Property of Guanacastc:

Lot # Folio Real # Survey #  
C71 43073-000 G-415025-81

(the "PROPERTY"), through the purchase of the entire membership interest of a United States of America Limited Liability Company ("US LLC"). However, this agreement is void and of no effect unless BUYER has closed on both Lots C68 and C69 prior to the closing on C71.

1. PURCHASE PRICE:

Lot # US \$  
C71 \$230,000

2. DEPOSIT: No later than June 15, 2007, THE BUYER must deliver into an escrow account at [REDACTED]

[REDACTED] (the "Escrow Agent"), \$23,000 (Twenty Three Thousand Dollars) as an additional deposit securing the obligations contracted herein with. All deposits and payments made shall be held in escrow until date of closing. Buyer's default to make the said deposit in due time, will result in this agreement becoming void and null and, therefore, the lot will be placed back in market without any liability for seller.

3. TITLE: TITLE to the PROPERTY via transfer of an INTEREST in the US LLC will be transferred free and clear at Closing. Hence, PROPERTY will be free of all liens, encumbrances, leases and annotations, except for those duly recorded on title at Closing, as well as with the property and municipal taxes paid through Closing. Buyer has been advised that a portion of Lot C71 may lie in the Las Baulas National Park and may be subject to expropriation. If BUYER defaults on any of the above payment obligations this agreement will be terminated without any liability for SELLER and all payments received to date will become exclusive property of the SELLER. If SELLER fails to deliver free and clear title to the PROPERTY, all monies held in Escrow by Escrow Agent, will be refunded in full to BUYER.

Moreover, BUYER agrees, accepts and understands that PROPERTY is subject to Conditions, Rules and Covenants ("CC & R's"), that set forth guidelines for residential and commercial development within the project known as "Playa Grande Estates" ("PGE"). Now therefore, BUYER hereby acknowledges having reviewed and accepted all applicable CC & R's and commits to respect and abide by the same, as part of this agreement and the

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subsequent purchase of INTEREST or PROPERTY. Finally, BUYER agrees, accepts and understands that this statement will survive Closing.

4. C96:

- a) In the event Seller decides to place lot C96 on the market, Seller must first offer it exclusively to Buyer for a period of at least one week prior to placing the lot on the market.
- b) In the event Seller receives an acceptable offer on lot C96, Seller will provide a written copy of the offer to Buyer, and Buyer will have twenty four hours to match the offer. Buyer must complete the purchase of lot C96 or forever forfeit Buyer's right of first refusal. If Buyer doesn't match the offer, the property can be sold to the third party that made the offer. If the offer does not result in a sale, Buyer's twenty four hour right of first refusal is reinstated. If the offer results in a sale, Seller is relieved of all obligations to Buyer regarding lot C96. *and Buyer is relieved of all obligations*
- c) When the Supreme Court building injunction is lifted or the expropriation issues resolved, and if C96 is left with less than 1,000 square meters,

- i) Buyer will have thirty days to exercise an option to purchase the remainder of C96 at a price equal to the average price per square meter of the ~~most recently~~ listed price (\$950,000/ 1945.65 m2= \$488 m2) and the fair market value per square meter at the time of exercise of the option multiplied by the number of square meters remaining. Fair market value per square meter will be determined by a real estate broker acceptable to Buyer and Seller.

- ii) if Buyer fails to exercise the above option *within reason* thirty days, Seller will have the option to purchase a portion of C71 of Seller's choice back from Buyer. Seller will have the option to purchase so much of C71 so that the total of the remainder of C96 and the portion purchased of C71 totals 1,000 square meters. Seller shall purchase this portion of C71 back from Buyer at a price equal to the average price per square meter of the ~~most recently~~ listed price (\$230,000/ 667.04 m2 = \$345 m2) and the fair market value per square meter at the time of exercise of the option multiplied by the number of square meters of lot C71 (667.04 m2). Fair market value per square meter will be determined by a real estate broker acceptable to Buyer and Seller.

5. CLOSING: If and when all conditions set forth herein are met, Closing will take place on August 3, 2007, in Panama City, Panama, with counterparts delivered for recordation in Costa Rica, at offices of SELLER's Notary Public, by which time BUYER must have deposited the remainder of the Purchase Price plus its share of Closing costs into the Escrow Agent's account, for subsequent distribution to SELLER at Closing.

6. CLOSING COSTS: Both parties will equally share all escrow fees, transfer fees, attorney fees and all other recording costs connected with this real estate transaction, in equal shares. BUYER will pay for all Title Insurance fees (if applicable).

7. TRANSFER OF DEED: The granting of the public deed of transfer shall be performed before the law offices of Facio Abogados, namely by Notary Public Rafael E. Cañas or any other Notary Public appointed by the latter, either of which will be entirely responsible for the proper recordation of the public deed before the Property Section of the Public Registry. In the event that BUYER desires to appoint a Notary Public of its choice to perform and execute the transfer of the public deed, BUYER agrees, accepts and

*including but not limited to taxes and including but not limited to taxes (see H.G.)*

*to Seller regarding Lot C71, option (see H.G.)*

**REDACTED**

understands that all Notary Public fees related to the transfer of title will be borne exclusively by BUYER.

Consequently, it is hereby agreed and understood by the Parties hereto that, unless mutually agreed upon in writing otherwise, Rafael E. Cañas will provide all legal services in connection with the property transfer. Likewise, Parties hereto agree and understand that Title Insurance services will be solely provided by Stewart Title Costa Rica A.B.C., S.A.

8. NOTICES: All notices, requests, demands or other communications hereunder shall be in writing and deemed to have been given only if hand-delivered or sent by overnight courier service (i.e. FEDEX, DHL, UPS, etc.) or certified or registered mail, return receipt requested, through United States Postal Service with sufficient postage prepaid, to the parties hereto at their respective addresses set forth at the outset of this Agreement or such other address as either party shall designate by notice pursuant to this Article. Additionally, copies of all notices, requests, demands or other communications hereunder to the BUYER shall be sent to Buyer's address and copies of all notices, requests, demands or other communications hereunder to the SELLER shall be sent to SELLER'S address. Notwithstanding the foregoing, in the event of any mail disruption by virtue of any stoppage in mail service performed by the Postal Service due to strike or labor difficulty, notices, requests, demands or other communications referred to in this Agreement shall be hand-delivered by a nationally recognized express delivery company or telegraphically given, but shall only be deemed to have been given when received.

SELLER's Address:           Facio Abogados  
  Centro Corporativo Plaza Roble  
  Edificio El Patio, tercer piso  
  Guachipelín de Escazú  
  San José, Costa Rica  
  Attn. Rafael E. Cañas Coto

BUYER's Address:           Gary Luciani  
  [REDACTED]  
  [REDACTED]

9. GOVERNING LAW: This Agreement shall be governed and interpreted according to the laws of the Republic of Costa Rica. All actions or causes arising out of this Agreement shall be brought in the Republic of Costa Rica.

10. ARBITRAL CLAUSE: THE PARTIES hereto agree and accept that any dispute, claim or lawsuit which may derive as a result of this Agreement shall be solved by an arbitral panel of the Chamber of Commerce of Costa Rica; integrated by three Law Arbitrators, one appointed by each party and the third one designated by the Chamber of Commerce of Costa Rica, who shall dictate the arbitration procedure to follow. Each party is entitled to initiate his claim before the arbitral tribunal without notifying of having an agreement to do so with the other party. The parties will not be able to act through judicial means, without having first completed the arbitration procedure aforementioned. The arbitration award will have no appeal, only the appeal for legal annulment.

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11. BREACH OF CONTRACT: Noncompliance by one of the Parties of any of the obligations assumed by means of this Contract, will give the other party the right to request the termination of the Contract along with the respective indemnification of all damages and losses of its forceful compliance, all in accordance with what is established in articles 692 and 1147 of the Civil Code of the Republic of Costa Rica.

IN WITNESS WHEREOF, the Parties hereto duly execute this agreement on the Effective Date indicated above.

By: 

BUYER

Zoning: Small hotel  
Financing Requested: Yes.  
Name of Sales Agent: Pennye Wheeler

By: 

SELLER

**FACIO**  
**ABOGADOS**

**SELLER CLOSING STATEMENT**

(All Figures Quoted in \$US)

Seller: Grande Beach Holdings Limitada  
 Buyer: Gary Luciani  
 Lot: C71  
 Prepared by: Rafael E. Cañas/Silvia Pérez  
 Prepared on: 9-Jul-07

<b>PURCHASE PRICE</b>	<b>\$</b>	<b>230,000.00</b>
<b>DOWN PAYMENT</b>	<b>\$</b>	<b>19,245.00</b>
<b>BALANCE PURCHASE PRICE</b>	<b>\$</b>	<b>210,755.00</b>

**DISBURSEMENTS**

**OTHERS**

Notary Public Fees: 1.25% (50%)	\$	1,437.50
Transfer Tax 1.5% (50%)	\$	1,725.00
Tax Stamps 0.85% (50%)	\$	977.50
Corporation (2) (50%)	\$	500.00
Escrow services (50%)	\$	200.00
C-21 Marina Trading Post (Bwana S.A.): broker commission	\$	18,400.00
	\$	-

<b>TOTAL AMOUNT OF DISBURSEMENTS</b>	<b>\$</b>	<b>23,240.00</b>
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Financed Amount	\$	(140,000.00)
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<b>TOTAL AMOUNT TO PAY TO SELLER:</b>	<b>\$</b>	<b>47,515.00</b>
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Seller understands the Escrow Agent has assembled this information representing the transaction from the best information available from other sources and cannot guarantee the accuracy thereof. Any real estate agent or lender involved may be furnished copy of this statement.

Seller understands that the transfer tax and stamps were based on figures provided by the Public Registry.

The undersigned hereby authorizes the Escrow Agent to make expenditures and disbursements as shown and approves same for payment. "

**Seller states that the signature contained in this statement shall be considered as an original signature and therefore Escrow Agent is authorized to proceed with the disbursements of funds as contained herein, without any liability derived from the authenticity of such signature.**

Seller: \_\_\_\_\_